



# Project Leasinvest 2.0

## EQUITY STORY

MAY 2021

## Meet the team



**Michel Van Geyte**  
Chief Executive Officer

- 25 years of real estate experience
- 3 years as managing partner at Knight Frank Belgium
- 16 years of experience at Leasinvest



**Tim Rens**  
Chief Financial Officer

- 12 years of audit experience at Deloitte of which 4 years as Senior Audit Manager
- Joined Leasinvest in 2017

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# Transaction Rationale

1

Leasinvest is **more and more active as developer** but due to its **REIT status is being restricted** in this development activity

2

To have more flexibility in trading buildings, creating capital gains and readapting the asset classes, Leasinvest concluded that the **REIT status is no longer the most appropriate structure** for the company

3

To reinforce its development skills and to enlarge its exposure to the Luxembourg market, Leasinvest intends to **combine its activities with Extensa**, a specialist in high-quality **mixed-use development projects**

4

This business combination with Extensa will result in a **unique combination of a real estate investor and (re)developer**

5

Clear ambition to become the **sustainability reference in the sector**

# Transaction Description

The transaction will consist of the following steps:

**1** Renunciation by Leasinvest of its regulatory status both in Belgium (as public regulated real estate company (RREC)) and in Luxembourg (the SICAV-SIF status of its wholly-owned subsidiary, Leasinvest Immo Lux SA (LIL))

STEPS

**3** A business combination with Extensa, by means of the contribution in kind of 100% of the shares in Extensa by Ackermans & van Haaren

**2** Conversion of Leasinvest from a partnership limited by shares into a public limited liability company with a board of directors (i.e. internalisation of the management of Leasinvest) followed by the contribution in kind of 100% of the shares in Leasinvest Real Estate Management NV, the statutory manager of Leasinvest, by Ackermans & van Haaren NV



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# EQUITY STORY



# Leasinvest 2.0

A unique combination of a real estate investor and a industry leading (re)developer.



Leading “out-of-the-box” real estate investor

Well-diversified mix of office and retail assets at prime locations in Luxembourg, Belgium and Austria

Track record of strong long term growth under the REIT status, offering high dividend yield

A sector reference with regard to sustainable redevelopments, creating long term value for the generations to come



A unique combination of:

Attractive recurring return from high quality real estate portfolio, realised through dynamic asset management

Significant value upside from excellent property (re)development and rotation capabilities

A true specialist in mixed-use urban developments

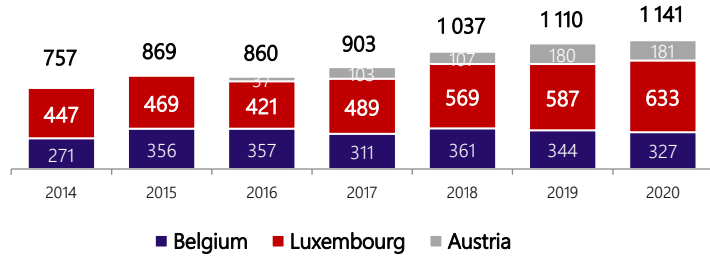


A distinguished developer committed to building new city districts, which stand out as quality living and working environments



Track record of long term growth...

Leasinvest portfolio fair value (€m)



...through combination of dynamic asset management and proven redevelopment capabilities



Best in class real estate investor...

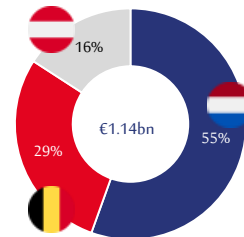
- High quality real estate portfolio at the best locations
- The only listed player with significant presence in Luxembourg
- Long-term value creation through attractive capital gains on (re)developments

KPIs 2020

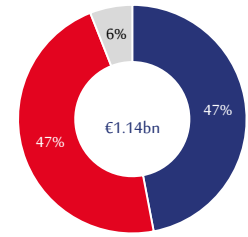
Occupancy	91.6%	EPRA cost ratio	20.2%
EPRA NIY	4.5%	Total surface	459k m <sup>2</sup>

...well diversified across geographies and markets

2020 portfolio fair value per country

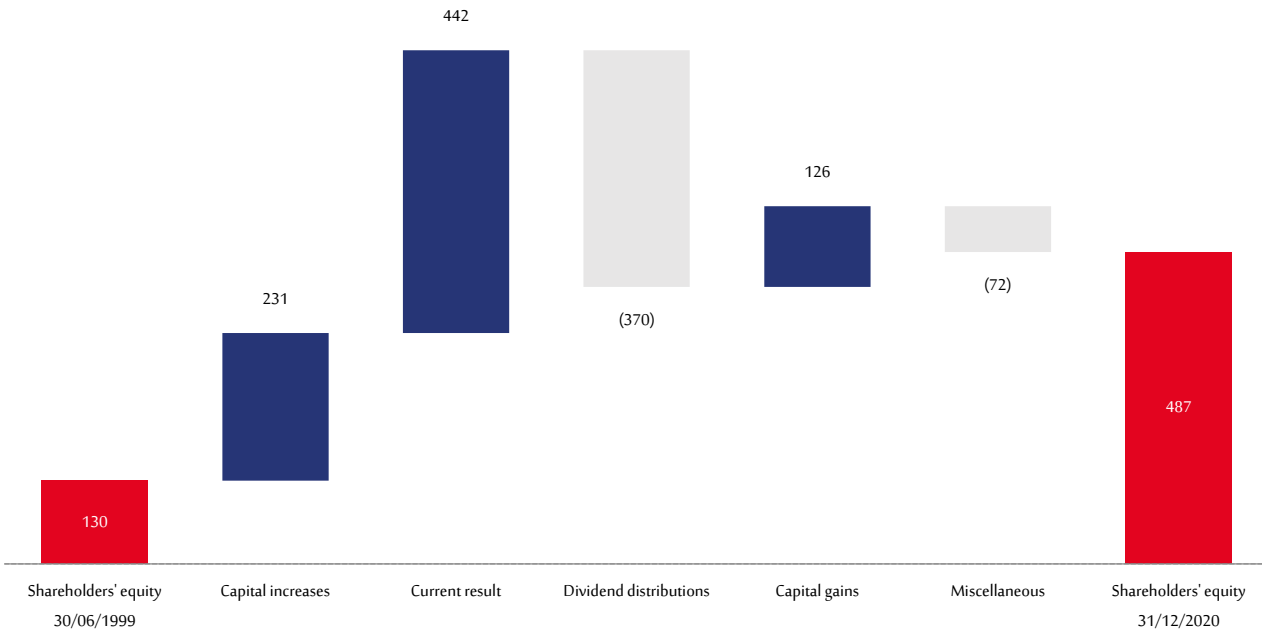


2020 portfolio fair value per asset type





has an impressive track record of creating value for its shareholders



A true specialist in high quality mixed-use urban development projects

A HIGH-END PROJECT DEVELOPER OF NEW CITY DISTRICTS

Seasoned experience maker, creating quality living and working environments, which stand out through:

- prime locations
- high-quality design and attractive realisations (top materials, best-in-class architects, etc.)

KEY KPI'S 2020

NET profit	c.€26m	Total surface	c.88k m <sup>2</sup>
Total assets	c.€600m	Development potential	c.342k m <sup>2</sup>

SELECTED TENANTS



Vlaanderen  
Vlaamse Gemeenschap  
Flemish Community



LE GOUVERNEMENT  
DU GRAND-DUCHÉ DE LUXEMBOURG





Park Lane



Herman Teirlinck



Residential Cloche d'Or



Deloitte



Gare Maritime



Entrepôt Royal



Alter Domus



Offices Cloche d'Or

## EXTENSA

Two prime development zones, regarded as international reference projects in the sector



Park Lane



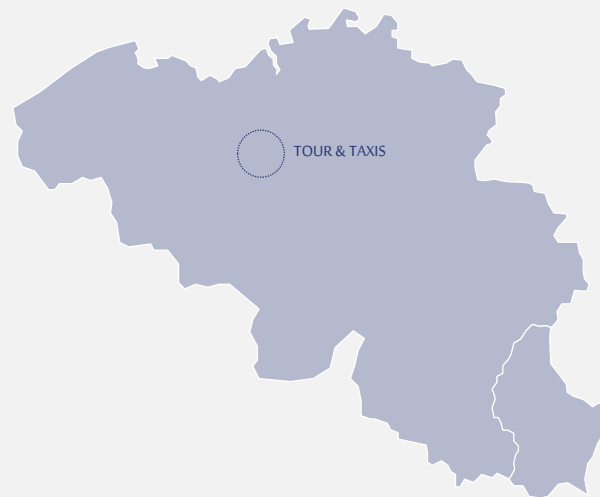
Herman Teirlinck



Gare Maritime



Entrepôt Royal





Residential Cloche d'Or



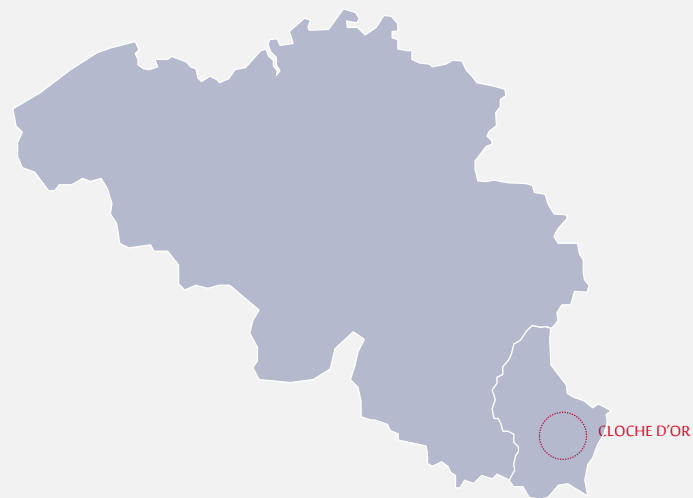
Deloitte



Alter Domus



Offices Cloche d'Or



# Complementarity of Leasinvest's team...





# Key investment highlights of Leasinvest 2.0

## Market

Well-positioned for growth in attractive and developed geographies



## Team

Multi-disciplinary team of passionate real estate professionals with the right mix of capabilities to sustainably manage and develop prime real estate assets



## Business profile

Unique business profile combining an iconic high-return real estate portfolio with industry-leading property development projects



## Financial profile

Strengthened financial profile, combining solid dividend flow with significant capital gain upside



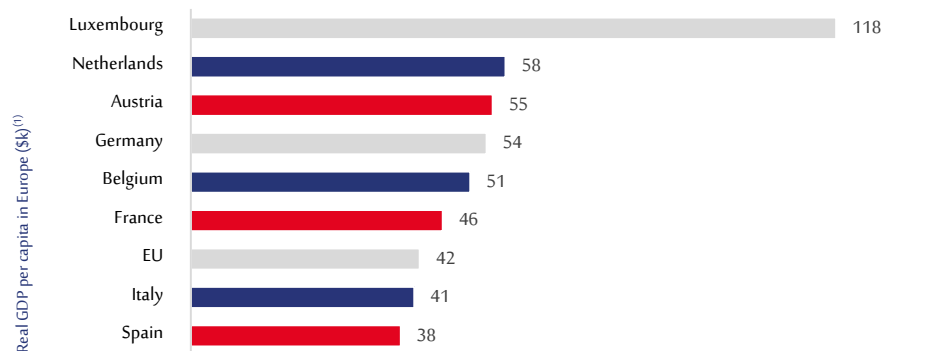


# Well positioned for growth in attractive and developed markets



Market

Belux and Austria are among the most affluent geographies in the EU



Luxembourg and Brussels are the #2 and #3 richest city in Europe



London



Luxembourg



Brussels

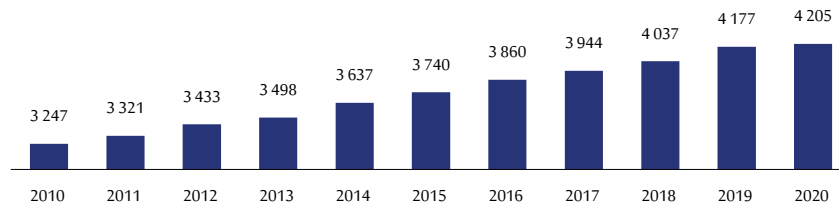
# The Luxembourg office market is increasingly gaining momentum...



## Strong 2020 rental market key indicators



## Total stock continues to rise Total stock evolution (thousands of m<sup>2</sup>)

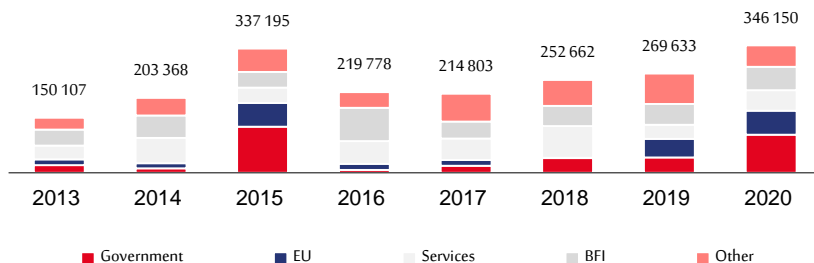


# ...and has an attractive outlook



Office take-up reached all-time high in 2020, despite uncertainty due to COVID-19

Office take-up in Luxembourg m<sup>2</sup>



Strong development pipeline supports the outlook for 2021

Development pipeline Luxembourg (m<sup>2</sup>)



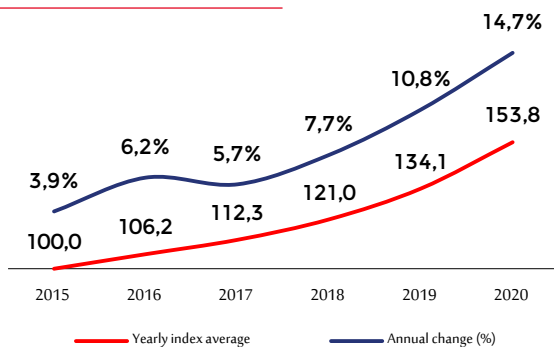
- Historically, Luxembourg has always been a hotspot for the financial industry, which strongly supports the office market.
- Office take-up in 2020 has benefited from public occupiers driving up their office presence (e.g. European Investment Bank, Luxembourg State) and outperformed all other major European cities.
- The increased office take-up of public institutions favours the overall resilience of the Luxembourg office market.
- Slowdown in development pipeline in 2020, due to COVID-19 lockdown.
- Strong rebound expected in 2021, driven a.o. by the KAD2 project. Overall two-thirds of the total space is pre-let.

# Luxembourg residential market has shown strong growth over the last years

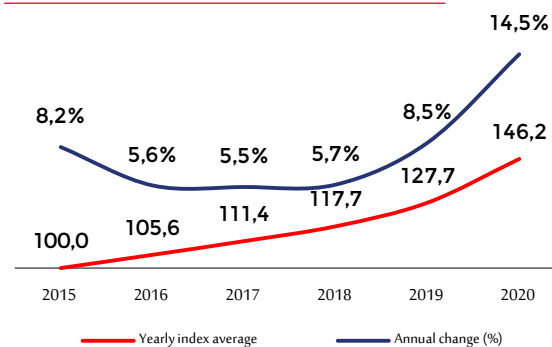


Strong demand has supported a significant increase in residential sale price ...

Existing housing sale price in Luxembourg

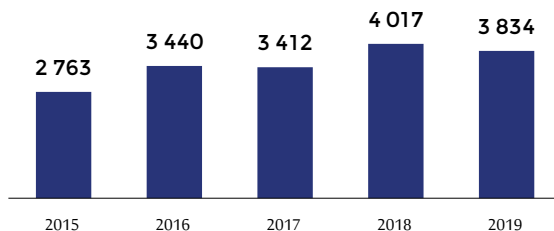


New housing sale price in Luxembourg

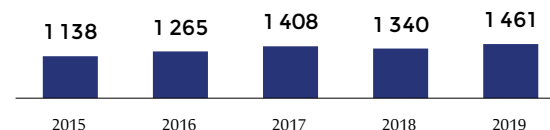


... which is also reflected in the increased number of permits

Apartment construction permits in Luxembourg



House construction permits in Luxembourg



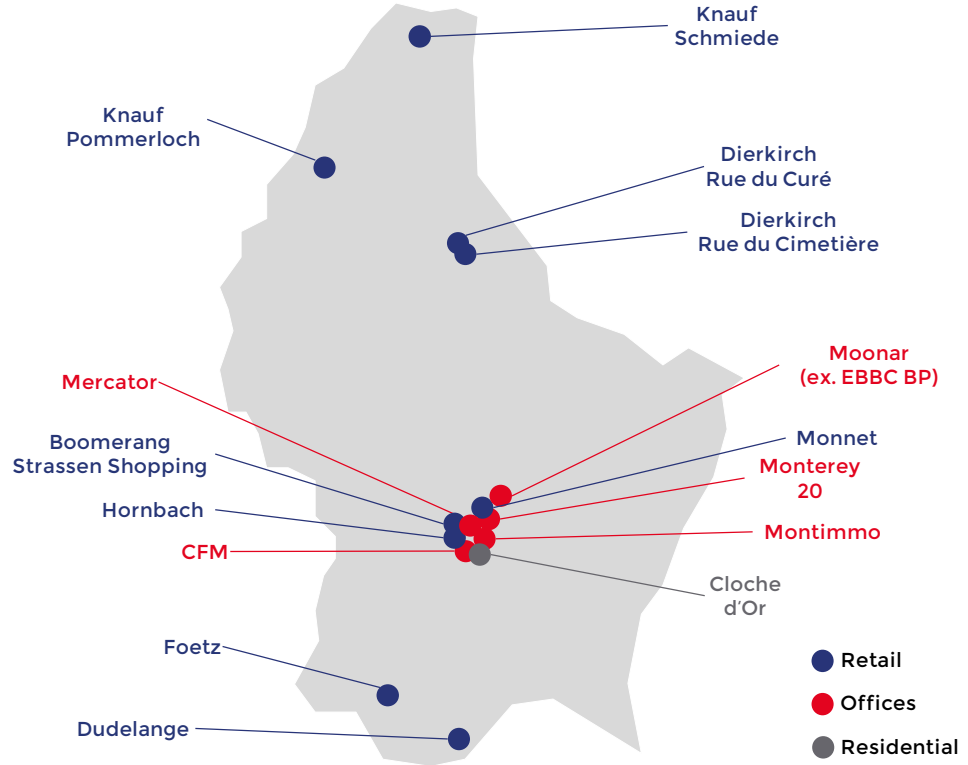
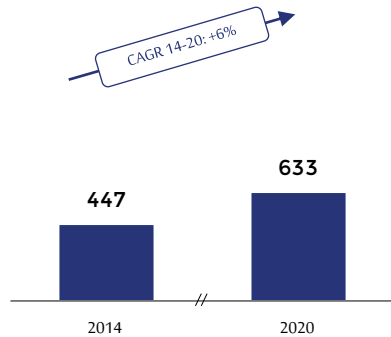
# Leasinvest 2.0 has a leading presence in Luxembourg



Local players with established presence like Leasinvest 2.0 have an edge due to:

- Limited number of large scale real estate opportunities
- Need for integrated mixed-urban approach creating attractive new city districts (e.g. Cloche d'Or)

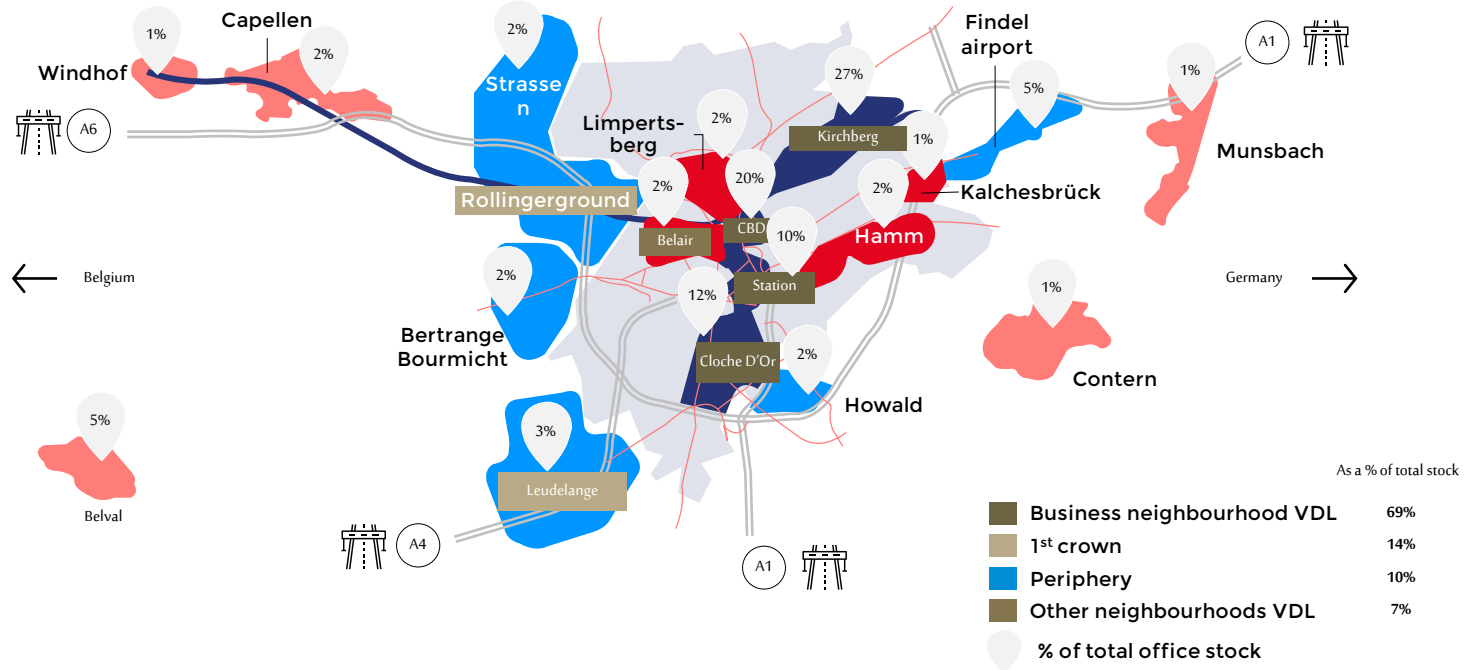
Leasinvest's Luxembourg portfolio fair value (€m)



# The assets of Leasinvest 2.0 are located at the prime locations in the city of Luxembourg



The business neighbourhood accounts for 69% of total office stock volume



# Unique business profile combining iconic high-yield real estate portfolio with industry-leading property development projects



## Portfolio

Recurring return from high quality real estate portfolio



## Capital gain

Upside from industry-leading development projects

- Iconic real estate portfolio, at prime locations
- Track record of successful redevelopments (e.g. Mercator, Hangar)
- High quality tenant base

- Innovative and best-in-class mixed-use urban projects
- Adhering to the highest of quality standards and most innovative technologies
- Long term value maximisation based on dynamic asset management



€1.0bn to €1.5bn

Total portfolio value



>90%

Target occupancy rate



5-6%

Yield

*IRR- project based investment approach*



382k m<sup>2</sup>

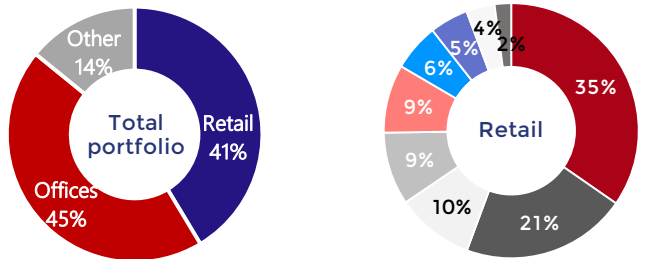
Available area for further development

# Attractive and recurring returns from managing an iconic sustainable real estate portfolio...

An attractive and diversified portfolio...

Leasinvest also owns a 10% stake in Retail Estates, which has shown relatively strong COVID-19 resilience due to its exclusive exposure to retail parks

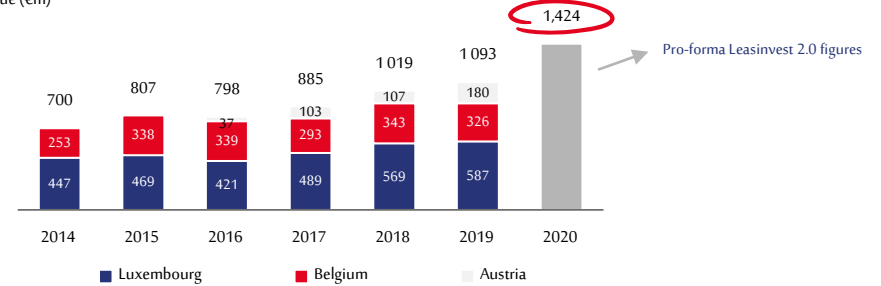
Portfolio split by asset class



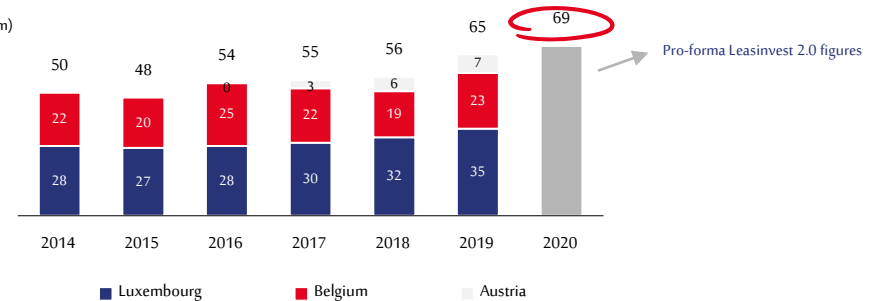
- Fashion
- DIY
- Foods
- Deco/Home
- Services
- Leisure/toys/pets
- Other
- Restaurants
- Multimedia

...with steadily growing fair market value and income

Leasinvest portfolio fair value (€m)



Leasinvest rental income (€m)



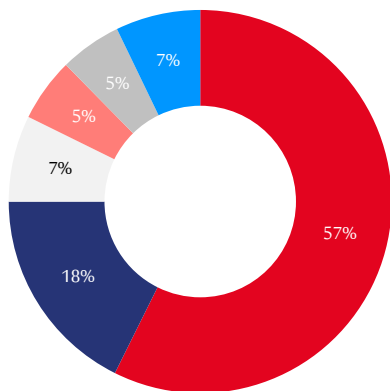


# ...supported by a high quality tenant base



Diversified tenant base for Leasinvest 2.0...

Tenant split by industry



- Retail & wholesale
- Services
- State and non-for-profit
- Industrials
- Financial sector
- Other

Tenant	Tenant category	Surface rented (m <sup>2</sup> )	% of total
Tenant 1	Retail	11,270	c.6%
Tenant 2	Office	8,153	c.4%
Tenant 3	Retail	7,041	c.4%
Tenant 4	Office	6,052	c.3%
Tenant 5	Office	4,361	c.2%
Tenant 6	Office	4,359	c.2%
Tenant 7	Retail	4,195	c.2%
Tenant 8	Retail	4,168	c.2%
Tenant 9	Retail	4,021	c.2%
Tenant 10	Office	3,711	c.2%
TOP 10		57,331	c.29%
<b>Total portfolio</b>		<b>195,574</b>	<b>100%</b>

## SELECTED TENANTS



# Sound investment focus on core-plus and sustainable environments

## Core-plus buildings

- Combining office, retail and residential uses into large scale mixed urban real estate projects
- ⇒ Places where people can eat, live, work, play, shop and sport
- Clear potential to create long term value through repositioning and redevelopment of the building

Source: Company information



## Sustainable buildings

Aimed at building a better society

- Climate adaptable (Energy efficiency, biodiversity)
- Healthy and inspiring environments
- Investments for the future: mobility, technological innovation, flexibility
- Co-creation

Source: Company information



# The right mix of capabilities to sustainably manage and develop prime real estate assets



Team

- Proven expertise across the full spectrum of real estate portfolio management skills: in dynamic asset management, (re)development of sustainable buildings, high performance property and facility management, best-in-class exploitation to apply digitalisation and innovative working methods
- The right mix of capabilities to successfully and sustainably develop large scale mixed-urban real estate projects (combining retail, office and residential expertise) which are increasingly being considered as a go-to solution in the current market context
- The clear ambition to become the sustainability reference of the sector with special attention to liveable places in all its ergonomic and ecological aspects
- An appealing entrepreneurial culture of excellence and ownership enabling Leasinvest 2.0 to attract and keep the biggest talents in the marketplace
- Dynamic team of 80 real estate professionals working each day on managing, developing and creating the most attractive real estate assets in the market



80

Real estate professionals



# The right mix of capabilities to sustainably manage and develop prime real estate assets



Proactive asset management



Sustainability on all levels



High performance property and facility management



Best-in-class exploitation



# Clear ambition to become the sustainability reference of the sector creating long term value for the generations to come



## CREATING A HEALTHY AND INSPIRING ENVIRONMENT



Improve human well-being through well-designed and healthy buildings  
Obtain BREEAM In-Use certification for all buildings by 2024

## BUILDING PARTNERSHIPS AND ALLIANCES



Include all stakeholders in the company's quest towards a sustainable future and a carbon-neutral footprint by 2050

## CLIMATE-ADAPTIVE BUILDING AND BIODIVERSITY



Reduce environmental footprint and increase circularity during the construction phase

## BUILDING TOWARDS A BETTER SOCIETY



Create an active, healthy and balanced lifestyle for employees while supporting social projects and functioning as an example for society

## INVESTING IN THE FUTURE



Provide tenants with the best possible solution through flexible buildings adaptable to ever-evolving society

# A clear commercial strategy aimed at maximising occupancy rates and proactive sourcing of differentiating (re)development projects



Analysis

Integrated cost-benefit analysis of the asset portfolio, both in terms of project sourcing and asset management



Occupancy rates

Keeping occupancy rates at consistently high levels by proactively addressing tenants needs



Positioning

Premium positioning of Leasinvest 2.0, both as a brand in general and on project level

# Strengthened financial profile, combining solid recurring dividend streams with significant potential capital gain upside

## Investment properties KPIs (objectives)

YIELD | 5-6%

NRI | > €65m

Target  
Loan-to-value | < 40%

Improved cash generation will be driven by sound portfolio management going forward and substantial cost synergy potential

## Development projects KPIs (objectives)

Project margin | 12-15%

Total development  
surface | 356 km<sup>2</sup>

Project based IRR approach

Next to the continued exploitation and further development of the existing real estate asset portfolio, Leasinvest 2.0 has a tangible pipeline of new projects which will support future growth.

# Unique combination of an attractive dividend and significant capital gain upside

## Share with multiple drivers of value



*Leading real estate portfolio, supported by dynamic asset management*



*An attractive and recurring dividend while realising considerable deleveraging*



*Best-in-class property development capabilities*



*Strong source of capital gains in the near future*

## Unique investment opportunity within the EPRA universe



**Long term ambition to maintain EPRA status**



**Steadily growing dividend of 40%-60% of the EPRA Earnings linked to the investment portfolio supplemented, when appropriate, by a share of exceptional realized capital gains or development profit**

**Leasinvest 2.0 is backed by AvH as a long term majority shareholder**



“ *In line with our mission to create shareholder value through long term investments in a limited number of strategic participations with growth potential on an international level* ”





4

# VALUATION

# Valuation

- Combined valuation for EXTENSA and Leasinvest Real Estate Management NV (LREM) of €293m
- Issue price of the new Leasinvest Real Estate shares at €72 per share, adjusted for the dividend of €5.25 per share



EXTENSA

# FINANCING OVERVIEW

5

# Financial debt Overview

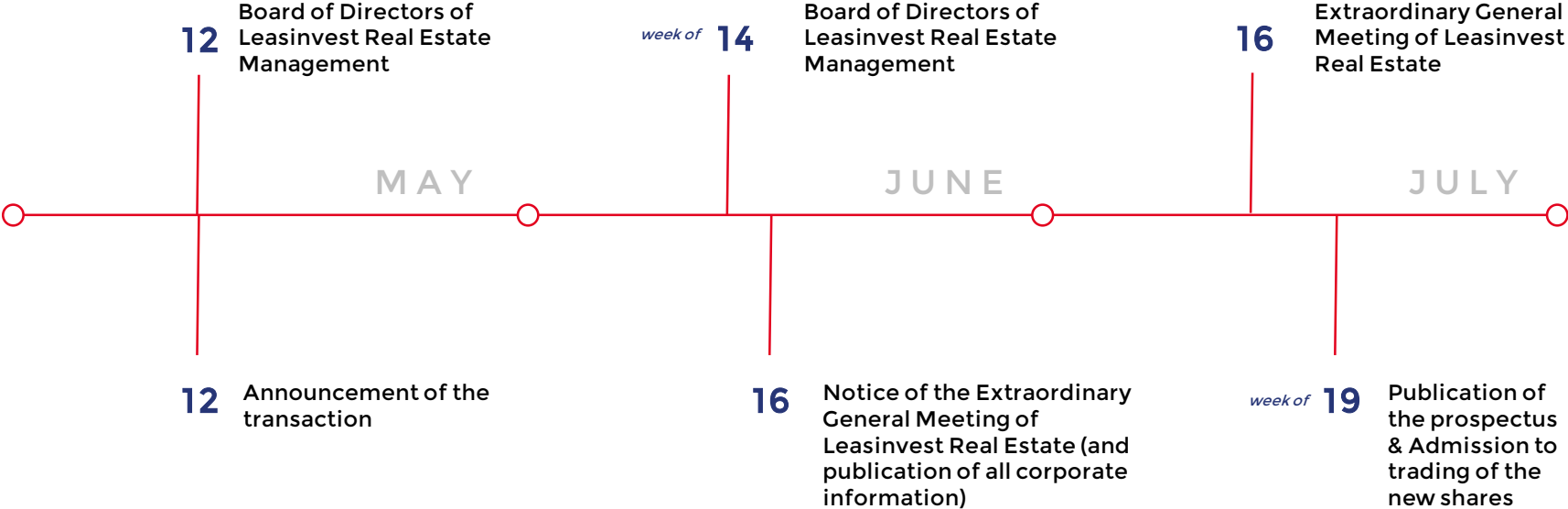
Financial debt (€m)	Leasinvest	Extensa	Pro-forma consolidated figures
Long-term	358.9	171.7	530.6
Short-term	83.1	-	83.1
<b>Credit facilities</b>	<b>442.0</b>	<b>171.7</b>	<b>613.6</b>
Bonds	99.6	84.2	183.8
Commercial paper	122.0	-	122.0
Rental guarantees received	2.0	-	2.0
<b>Other</b>	<b>223.5</b>	<b>84.2</b>	<b>307.8</b>
<b>Total financial debt</b>	<b>665.5</b>	<b>255.9</b>	<b>921.4</b>
Cash & cash equivalents	(1.7)	(21.9)	(25.3)
<b>Net financial debt</b>	<b>663.8</b>	<b>234.0</b>	<b>896.1</b>



# TIMELINE



# Project Leasinvest 2.0: indicative timeline






# APPENDIX

# Strong traction on the investment market in Luxembourg

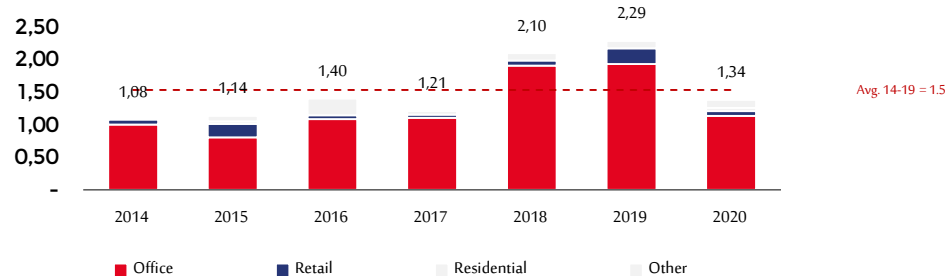


## Strong fundamentals 2020 fundamentals

			
Investment transaction	c.€1,340m	Number of transactions	31
Standing investments	c.€1,120m	Standing investments	26
Development/redevelopment	c.€215m	Development/redevelopment	4
Occupier/Owner	c.€5m	Occupier/Owner	1
		Prime yields	
		City	3.50%
		Periphery	5.75%

## Above average investment volumes in recent years

Commercial real estate investment in Luxembourg (€bn)



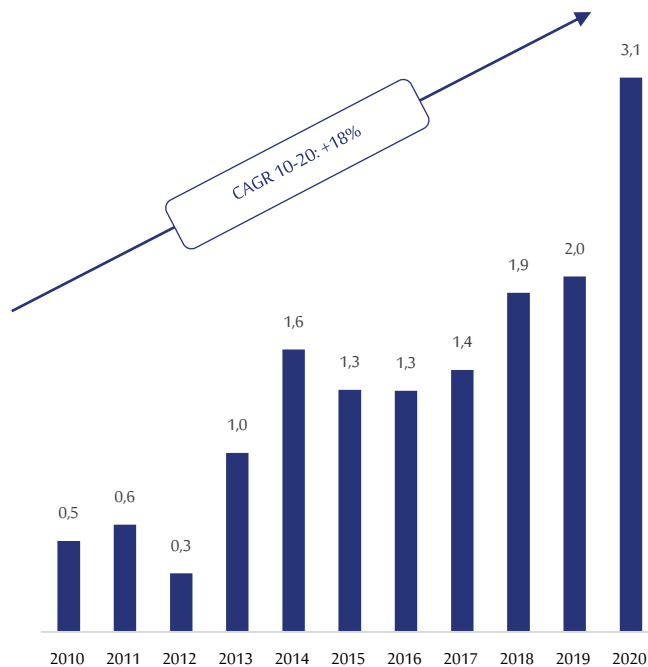


# Leasinvest 2.0 has office assets at the best locations in Brussels, which is one of Europe's most important office markets



Investments in the Brussels office market grew by 18% p.a. over the last decade

Investment volume in Brussels office market (€bn)



- Prime yield for core assets remained stable at 3.90% for standard leases. For long-term contracts, the prime yield continued to be traded at 3.25%
- Leasinvest 2.0 has office assets at the best locations in Brussels i.e. the Central Business District (CBD) areas and the EU district, which perform stronger compared to other areas in Brussels

# Tour & Taxis: A truly unique and multipurpose urban redevelopment project in Brussels

Tour & Taxis is a large urban, multipurpose redevelopment project in the centre of Brussels

Tour & Taxis accommodates next-generation workspaces, state-of-the-art venues for conferences and events, retail and leisure facilities as well as open and green spaces

A nine-hectare public park is also being developed throughout the T&T campus



## Brussels Environment



Open office spaces used by the Brussels Environment service since 2014. Largest passive building in Belgium until 2017

## Entrepôt Royal



Accommodates eco-friendly, spacious offices with a large open terrace occupying multiple stories in the centre of the building

## Gare Maritime



Building will accommodate office and retail space with an open central space  
Prime example of circular construction

## Sheds



Hosts some of Brussels' biggest artistic and cultural events (e.g. Couleur Café, Art Brussels, etc.)  
Completed renovation in 2003



**Offices**

c.100k m<sup>2</sup>



**Housing**

c. 2000 units under construction



**Shops**

c. 18k m<sup>2</sup>



**Events and congress**

c. 30k m<sup>2</sup>



# Cloche d'Or: A prestigious project providing much more than a comfortable and attractive place to live

Cloche d'Or is a mixed-use neighbourhood, combining housing, offices, shops and leisure activities

By 2035, c.45,000 people will be living, working, studying or playing in this neighbourhood

Cloche d'Or meets the highest measure of sustainability of the German Sustainable Building Council which is unprecedented in Luxembourg



Deloitte



Accommodates eco-friendly, spacious offices with a large open terrace occupying multiple stories in the centre of the building



**Offices**

55%  
(200,000 m<sup>2</sup>)



**Housing**

30%  
(120,000 m<sup>2</sup>,  
4,000 units)



**Shops**

15%  
(60,000 m<sup>2</sup>)



**Residential Cloche d'Or**

Cloche d'Or's residential offerings, Îlot A and Îlot B, provide comfort and a high living standard to its residents



**Alter Domus**

Accommodates open and collaborative workspaces, bringing novelty to the traditional office concept

# SELECTED PROJECTS UNDER (RE)DEVELOPMENT AS PART OF LARGER DIVERSIFIED QUALITY PORTFOLIO



 **Hangar 26/27**

Renovation project at the riverside of the Schelde (Eilandje) accommodating offices and retail



 **Monteco**

Office building with a wooden construction in Leopoldsquare



 **Knauf Pommerloch**

Shopping center (60 shops) between Bastogne and Wiltz



 **Knauf Schmiede**

Shopping center with 40 shops in the North of Luxembourg



 **Mercator**

Office building located on one of the main access roads to Luxembourg City



 **Moonar**

Future-proof business park with offices close to the airport of Luxembourg

# OTHER MAIN ASSETS LUXEMBOURG



**Monnet**

Office building at the heart of Kirchberg  
Portfolio's flagship due to its location

**Montimmo**

Office building situated in one of the most important streets of the CBD of Luxembourg City

**Diekirch**

Shopping arcade, part of a mixed building with commercial and residential space

**Dudelange**

Commercial building consisting of galleries, commercial spaces, bakeries, etc.

**Foetz**

Retail building situated next to Cora

**Hornbach**

Retail site located at Bertrange

**Boomerang Strassen**

Shopping center located at an important entrance to Luxembourg City

**CFM**

Industrial complex which serves as service center, distributor, wholesale and office complex

# OTHER MAIN ASSETS **BELGIUM**



## Montoyer 63

| Office building located in the Leopold district in Brussels, occupied by the European Parliament



## The Crescent

| Office building in the Erasmus Science Park in Anderlecht



## Treesquare

| Office building in the middle of the Brussels Leopold district (CBD)

## Brixton Business Park

| Business park alongside the E40 motorway, consisting of 6 semi-industrial buildings and 1 large retail site



## Motstraat

| De Mot is a co-working space in Malines, highly appreciated by its tenants and other users

# MAIN ASSETS **AUSTRIA**



### Frunpark Asten

- | Retail park located near Linz which comprises 26 shops and 600 parking spaces
- | Entire roof is equipped with solar panels, producing over 500,000KWh of green energy



### Gewerbepark Stadlau

- | Very well-located retail site accommodating 10 shops



### Hornbach Baumarkt

- | Retail site with a high footfall and a leading position in the city of Vienna



### Nordring

- | Retail park with a surface area of 14,800m<sup>2</sup> situated near Vienna

# Disclaimer

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